

AMENDED IN SENATE AUGUST 6, 2012

AMENDED IN SENATE JUNE 25, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2012

Introduced by Assembly Member John A. Pérez

February 23, 2012

An act to amend Sections 13996.55, 13996.75, 13997, 13997.6, and 99500 of, to add Sections 13996.41 and 13996.42 to, to repeal Sections 13996.45, 13996.6, and 13996.7 of, and to repeal and add Section 13996.65 of, the Government Code, and to amend Section 71040 of the Public Resources Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 2012, as amended, John A. Pérez. Economic development.

(1) Existing law, the California Trade and Investment Act, designates the Business, Transportation and Housing Agency as the state agency primarily responsible for international trade and investment activities in the state, subject to specified conditions. The act authorizes the Secretary of Business, Transportation and Housing to, in that capacity, carry out various powers and duties related to encouraging international trade and investment in the state, including, among others, developing an international trade and investment policy and strategy for the state, and convening or joining a statewide business partnership for international trade and investment. The act also imposes various related restrictions on the secretary's authority, *including, among others, prohibiting the Controller from allocating any state funds to the secretary for international trade and investment activities if specified requirements are met.*

This bill would *repeal the authority of the Secretary of Business, Transportation and Housing to carry out the powers and duties described above. The bill would instead require that* authorize the Governor's Office of Business and Economic Development serve as the state agency primarily responsible for international trade and investment activities in the state, and, in that capacity, authorize that agency to carry out specified powers and duties *including, among others, establishing an international trade and investment office outside of the United States, and accepting private donations for those purposes. The bill would require the office to carry out various duties related to encouraging international trade and investment in the state, including, among others, developing and implementing an International Trade and Investment Program, and developing an international trade and investment strategy for the state. The bill would prohibit the Controller from allocating any state funds to the secretary for international trade and investment activities if the international trade and investment strategy is not prepared by a specified date.*

(2) Existing law requires a business or entity to obtain various environmental permits prior to undertaking any project that may have an impact on the environment. Existing law also requires the Secretary for Environmental Protection to establish an electronic online permit assistance center for the purpose of assisting a business or other entity with complying with laws and regulations implemented by a board, department, or office within the California Environmental Protection Agency.

This bill would instead require the Governor's Office of Business and Economic Development to establish and maintain the electronic online permit assistance center described above. The bill would expand the scope of the electronic online permit assistance center to include any business or other entity subject to a law or regulation implemented by any agency, authority, bureau, board, commission, conservancy, council, department, state district, or office.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 13996.41 is added to the Government
- 2 Code, to read:

1 13996.41. (a) The Governor's Office of Business and
2 Economic Development shall develop and implement an
3 International Trade and Investment Program that does all of the
4 following:

5 (1) Attracts employment-producing direct foreign investment
6 to the state.

7 (2) Provides support for California businesses in accessing
8 international markets, including assistance to increase California
9 exports.

10 (3) Engages in other international trade or foreign investment
11 activities assigned by the Governor.

12 (b) The Director of the Governor's Office of Business and
13 Economic Development may establish international trade and
14 investment offices outside of the United States as he or she
15 determines is appropriate if the requirements of Section 13996.65
16 are satisfied.

17 (c) This section shall not be construed to confer powers or
18 impose duties imposed upon the Governor's Office of Business
19 and Economic Development that conflict with any powers
20 conferred or duties imposed upon the Department of Food and
21 Agriculture with respect to the promotion of California agriculture,
22 fish, or forest exports.

23 (d) The Governor's Office of Business and Economic
24 Development shall develop a conflict-of-interest and gift policy
25 that applies to the Governor's Office of Business and Economic
26 Development and all international trade and investment offices
27 established by it.

28 (e) Any international trade and investment office established
29 by the Governor's Office of Business and Economic Development
30 may be funded only by nonstate funds. The sources and amounts
31 of these funds shall be disclosed on it's Internet Web site within
32 30 days of receipt and shall include, but not be limited to, the name
33 of the contributor and the amount contributed.

34 SEC. 2. Section 13996.42 is added to the Government Code,
35 to read:

36 13996.42. The Governor's Office of Business and Economic
37 Development may establish an international trade and investment
38 office outside of the United States if both of the following
39 conditions are met:

(a) The country where an international trade and investment office would be located has the greatest potential for direct foreign investment in California, export growth, or both, as determined by the director.

(b) The Director of the Governor's Office of Business and Economic Development has included the new international trade and investment office in the Governor's Office of Business and Economic Development's current annual program budget and strategy and business plan for the year for the International Trade and Investment Program as required by Section 13996.65 of the Government Code.

SEC. 3. Section 13996.45 of the Government Code is repealed.

SEC. 4. Section 13996.55 of the Government Code is amended to read:

13996.55. (a) The Director of the Governor's Office of Business and Economic Development shall provide to the Legislature, not later than February 1, 2014, a strategy for international trade and investment that, at a minimum, includes all of the following:

(1) Policy goals, objectives, and recommendations necessary to implement a comprehensive international trade and investment program for the State of California. This information shall be provided in a fashion that clearly indicates priority within the overall strategy.

(2) Measurable outcomes and timelines for the goals, objectives, and actions for the international trade and investment program.

(3) Identification of impediments for achieving goals and objectives.

(4) Identification of key stakeholder partnerships that will be used in implementing the strategy.

(5) Identification of options for funding recommended actions.

(6) Identification of an international trade and investment organizational structure for the state administration of international trade and investment policies, programs, and services.

(b) In the course of developing the strategy, the director shall also consult with other agencies, boards, and commissions that have statutory responsibilities related to workforce development, infrastructure, business, and international trade and investment including, but not limited to, the California Commission on Industrial Innovation, the Office of the Small Business Advocate,

1 the California Transportation Commission, the California
2 Community Colleges, the University of California, the California
3 State University, the Workforce Investment Board, the
4 Employment Training Panel, and the California Energy
5 Commission.

6 (c) The strategy shall be submitted to the Chief Clerk of the
7 Assembly and the Secretary of the Senate. A copy of the strategy
8 shall be provided to the Speaker of the Assembly, the President
9 pro Tempore of the Senate, and the chairs of the Assembly
10 Committee on Jobs, Economic Development, and the Economy
11 and the Senate Committee on Business, Professions and Economic
12 Development, or the successor committees with jurisdiction over
13 international trade and economic development programs.

14 (d) The strategy shall be updated pursuant to the procedures of
15 this section at least once every five years.

16 SEC. 5. Section 13996.6 of the Government Code is repealed.

17 SEC. 6. Section 13996.65 of the Government Code is repealed.

18 SEC. 7. Section 13996.65 is added to the Government Code,
19 to read:

20 13996.65. (a) The director shall prepare the following:

21 (1) A budget for the International Trade and Investment Program
22 that includes a separately stated budget for each international trade
23 and investment office. The budget shall provide all the following:

24 (A) A description of how the International Trade and Investment
25 Program and each individual international trade and investment
26 office will be funded.

27 (B) A description of staffing levels and the positions needed to
28 operate each international trade and investment office.

29 (2) A strategy and business plan for the International Trade and
30 Investment Program, developed with input from California
31 businesses that shall include, but not be limited to, measurable
32 goals, objectives, and outcomes and timelines necessary to attract
33 employment-producing direct foreign investment to the state and
34 increase California exports. The strategy and business plan shall
35 include, but not be limited to, all of the following:

36 (A) A description of the staffing levels and staff expertise needed
37 to operate the international trade and investment office.

38 (B) A description of monitoring and oversight procedures
39 implemented for the International Trade and Investment Program.

1 (C) A description of how a newly proposed international trade
2 and investment office will facilitate an increase of direct foreign
3 investment in California, an increase in California exports, or both.

4 (3) A written review of the implementation of the prior year's
5 strategy and business plan for the International Trade and
6 Investment Program that addresses the performance of the program
7 and each international trade and investment office.

8 (4) The annual budget, the strategy and business plan for the
9 International Trade and Investment Program, and the prior year's
10 review drafted pursuant to subdivision (a) shall be transmitted to
11 the Chief Clerk of the Assembly, the Secretary of Senate, the
12 Speaker of the Assembly, the President pro Tempore of the Senate,
13 the chair of the Assembly Committee on Jobs, Economic
14 Development, and the Economy and the chair of the Senate
15 Committee on Business, Professions and Economic Development,
16 or respective successor committees, with jurisdiction over the
17 international trade and economic development programs.

18 SEC. 8. Section 13996.7 of the Government Code is repealed.

19 SEC. 9. Section 13996.75 of the Government Code is amended
20 to read:

21 13996.75. The Controller shall not allocate any state funds to
22 the Governor's Office of Business and Economic Development
23 for international trade and investment activities if the strategy for
24 international trade and investment has not been submitted to the
25 Legislature pursuant to subdivision (a) of Section 13996.55 and
26 subdivision (b) of Section 13996.65 by May 1, 2014, ~~or the strategy~~
27 ~~update required by subdivision (f) of that section has not been~~
28 ~~completed within six years of the completion of the original~~
29 ~~strategy or the most recent update, as applicable.~~

30 SEC. 10. Section 13997 of the Government Code is amended
31 to read:

32 13997. (a) The Governor's Office of Business and Economic
33 Development may accept private sector moneys in an amount not
34 in excess of ten thousand dollars (\$10,000) per donation made to
35 the state for the purposes of promoting international trade and
36 investment, subject to Title 9 (commencing with Section 81000),
37 and not in excess of a total of ten thousand dollars (\$10,000) per
38 quarter per donor. All private sector moneys shall be used for these
39 purposes but the donor may specify the international trade and
40 investment office or international trade or investment event for

1 which the private sector money shall be used. The private sector
2 moneys shall be deposited into the Economic Development and
3 Trade Promotion Account, which is hereby established in the
4 Special Deposit Fund in the State Treasury. The secretary may
5 expend moneys in the account, without regard to fiscal years, for
6 the purposes of this section. Moneys in the Economic Development
7 and Trade Promotion Account may be allocated to an international
8 trade and investment office, and if so allocated shall be maintained
9 by that office in an account. Notwithstanding any other provision
10 of law, the Director of the Governor's Office of Business and
11 Economic Development may use the private sector moneys for
12 expenses incurred to promote international trade and investment
13 that will directly benefit California business. Records of donations
14 received and expenditures made pursuant to this section shall be
15 subject to public disclosure.

16 (b) The international trade and investment office using the funds
17 shall memorialize the payment in a written record as follows:

18 (1) Identifies the donor and the official or officials receiving or
19 using the payment.

20 (2) Describes the official agency use and the nature and amount
21 of each payment.

22 (3) Is filed with the Governor's Office of Business and
23 Economic Development that maintains the records of the statements
24 of economic interests, and the filing is done within 30 days of the
25 receipt of the payment by the Governor's Office of Business and
26 Economic Development.

27 (c) Nothing in this section shall affect any requirement of the
28 Political Reform Act (Title 9 (commencing with Section 81000)).

29 SEC. 11. Section 13997.6 of the Government Code is amended
30 to read:

31 13997.6. (a) The California Economic Development Fund is
32 hereby created in the State Treasury for the purpose of receiving
33 federal, state, local, and private economic development funds, and
34 receiving repayment of loans or grant proceeds and interest on
35 those loans or grants.

36 (b) Upon appropriation by the Legislature, moneys in the fund
37 may be expended by the Governor's Office of Business and
38 Economic Development to provide matching funds for loans or
39 grants to public agencies, nonprofit organizations, and private

1 entities, and for other economic development purposes, consistent
2 with the purposes for which the moneys were received.

3 SEC. 12. Section 99500 of the Government Code is amended
4 to read:

5 99500. (a) The Governor is the primary state officer
6 representing California's interest in international affairs, to the
7 extent that representation is not in conflict with federal law or the
8 California Constitution, and except as otherwise specified in this
9 title, to the extent this title is not in conflict with federal law or the
10 California Constitution.

11 (b) The Lieutenant Governor is the Chair of the California
12 Commission for Economic Development, to improve trade
13 opportunities for California. The Legislature finds that the
14 commission has developed international partnerships that provide
15 venues for foreign companies to do business in the state and for
16 California-based companies to access foreign markets.

17 (c) The Attorney General is the chief law officer of California
18 and as such assists the federal government in defending against
19 international challenges to California laws.

20 (d) The Secretary of State oversees the International Business
21 Relations Program, which aims to develop stronger connections
22 between the international business community and the state by
23 assisting foreign business entities with the various filing processes
24 and procedures in California.

25 (e) The Department of Food and Agriculture is the primary state
26 agency for the promotion of California agriculture, fish, and forest
27 exports.

28 (f) The Resources Agency and the California Environmental
29 Protection Agency are the primary state agencies for the promotion
30 of international exchange of environmental protection technologies,
31 alternative energy technologies, and the promotion of the transfer
32 of environmental technology to and from the state.

33 (g) The Governor's Office of Business and Economic
34 Development is the primary state agency responsible for
35 international trade and investment activities in areas other than
36 those covered by the Department of Food and Agriculture.

37 (h) Subdivisions (a) to (f), inclusive, are declaratory of, and do
38 not constitute a change in, existing law.

39 SEC. 13. Section 71040 of the Public Resources Code is
40 amended to read:

1 71040. The Governor's Office of Business and Economic
2 Development shall establish an electronic online permit assistance
3 center through the Internet. The electronic online permit assistance
4 center shall be available for use by any business or other entity
5 subject to a law or regulation implemented by an agency, authority,
6 bureau, board, commission, conservancy, council, department,
7 state district, or office, and shall provide a business or other entity
8 with assistance in complying with those laws and regulations. The
9 center, which shall be called the "California Government-On Line
10 to Desktops" or "CALGOLD" program, shall provide special
11 software, "hotlinks," and other online resources and tools that may
12 be used by a business or other entity to streamline and expedite
13 compliance with laws and regulations implemented by an agency,
14 authority, bureau, board, commission, conservancy, council,
15 department, state district, or office. The CALGOLD program shall,
16 to the extent feasible, incorporate permit assistance activities of
17 local and federal entities and of other entities of the state into its
18 operations.

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